



Focus

Cost Recovery of RCRA Corrective Action Costs

What is "cost recovery"?

Cost recovery is an accounting system used by the Department of Ecology to recover remediation-related costs. The system is based on hourly rates, but also tracks other direct costs such as travel, goods and services, equipment, lab services and contracts. Hourly rates are computed using a formula that factors in actual staff rates plus an allocation of overhead costs.

Ecology prepares a new *Cost Recovery Rate Schedule* for each fiscal year (July to June). For fiscal year 1997, the average charge is approximately \$75 per hour. The actual rate will depend on the staff assigned to your project.

What legal authority requires Ecology to cost recover?

RCW 70.105DE.05(3); Enforcement, mandates that the state recover the amounts spent by the Department of Ecology for investigative and remedial actions and orders. The implementing regulation for this statute is WAC 173-340-550; Payment of Remedial Action Costs.

What is RCRA Corrective Action?

RCRA Corrective Action refers to activities performed under the federal Resource Conservation and Recovery Act (RCRA) or comparable state hazardous waste laws, such as the Model Toxics Control Act (MTCA), that require a permitted or interim status, dangerous waste management facility to identify and remediate dangerous constituent releases from both active and inactive/historic waste management activities.

Who pays for RCRA Corrective Action?

It is our policy to require only the owner/operator of a permitted or interim status, dangerous waste management facility to pay for Ecology's costs related to a RCRA corrective action. However, this does not preclude the owner/operator from independently pursuing remuneration from other potentially liable persons.

How much will a RCRA corrective action cost?

There are too many variables and lack of historical information to provide an answer to this question. Total cost will depend on the type and extent of the contamination, hydrogeology of the area, length of negotiations, and quality of work performed by your staff and consultants.

Note that certain costs can be reduced by taking advantage of a tax exemption allowed by Department of Revenue Policy #89-1R.1.92, Hazardous Waste Cleanup. For more information, call 1-800-647-7706.

How often is the billing cycle?

Quarterly. Invoices include a monthly recap of the employees who charged time to the corrective action facility, their hours, and their hourly charge-out rate. Other direct costs are listed separately. Upon request, Ecology provides copies of site logs and source documents for other direct costs.

Reference Information

Questions about cost recovery can be addressed to:

Rob Kirkwood, Cost Recovery Coordinator
Hazardous Waste and Toxics Reduction Program
(360) 407-6717

Pat Melone, Cost Recovery Coordinator
Toxics Cleanup Program
(360) 407-7214

For copies of the Cost Recovery Rate Schedule and the Model Toxics Control Act Regulations (Chapter 173-340 WAC), call (360) 407-7200 or (800) 458-0920.

The Model Toxics Control Act Regulations (Chapter 173-340 WAC) are available via Internet at: <http://www.wa.gov/ecology/cleanup.html>